

WHAT IS IT?

The **Washington State Linked Deposit Program** was created by the 1993 Minority and Women Owned Business Assistance Act. The Program improves access to capital for certified minority and women's business enterprises by decreasing interest rates on small business loans up to 2%!

WHAT TYPES OF FIRMS QUALIFY?

To participate in the **Linked Deposit Program**, firms must first be certified in OMWBE's state certification program. Eligibility criteria for certification include:

- Eligible owner must be a U.S. citizen or lawful permanent resident.
- Eligible owner must be a minority (African American, Asian American, Hispanic American, Native American), or a woman.
- Eligible owner must own at least 51% and maintain managerial control and operational control of their business.
- Firm must be independently owned and operated.
- Firm must be a small business.
- Firm must perform a "commercially useful function."

WHAT TYPES OF LOANS QUALIFY?

- Types of qualifying loans: Any commercial financing made to the certified firm, e.g., lines of credit, financing of accounts receivable, working capital, equipment purchases, and real property acquisition.
- \$1 million per-loan limit; ten year maximum term.
- Interest rate: up to two percentage points below the market rate for a similar loan.
- Firm must satisfy its bank's financing/loan criteria.

HOW ARE QUALIFIED LOANS FUNDED?

WAC 326-70-010, effective February 22, 2008, sets out the rules controlling the funding of qualified loans. The intent of these rules is to increase the number of minority and women business owners participating in the program and decrease the wait period between application approval and funding.

HOW DOES IT WORK?

The **Linked Deposit Program** "links" the State's short-term surplus fund deposits to the commercial loans that financial institutions make to certified minority and women's business enterprises. The State Treasurer is authorized to use up to \$175 million of these funds (as of 6/12/08) to purchase certificates of deposit in an amount equivalent to the amount financial institutions loan to certified minority and women's business enterprises. Up to *two percent* of the interest that is earned on these certificates of deposit is used to reduce the interest rate that would otherwise be charged to a certified business for its financing.

WHICH BANKS PARTICIPATE IN THE PROGRAM?

The **Linked Deposit Program** is available to any qualified depository doing business in Washington State. Contact your bank to find out if they are an active Linked Deposit lender. The following lenders have participated in the program:

American West Bank
Bank of America
Bank of the Pacific
Bank of Whitman
Banner Bank
Cascade Bank
Coastal Community Bank
Columbia River Bank
Columbia State Bank
Commerce Bank of Washington
Evergreen Bank
First Mutual Bank

Islanders Bank
Key Bank
North Cascades National Bank
Pacific Continental Bank
People's Bank
Plaza Bank
Regal Financial Bank
Riverview Community Bank
Skagit State Bank
South Sound Bank
Sterling Savings Bank
Timberland Bank
UniBank

United Commercial Bank
U.S. Bank
Venture Bank
Viking Bank
Washington Business Bank
Washington Trust Bank
Wells Fargo Bank
West Coast Bank
Wheatland Bank
Whidbey Island Bank

HOW DO I FIND OUT MORE?

For certification, eligibility, and other business development services:

Gerald Ballard

Agency Support and Business Development
Office of Minority & Women's Business Enterprises (OMWBE)
406 South Water Street
Post Office Box 41160
Olympia, WA 98504-1160
866-208-1064 (toll free)
360-586-7079 (fax)
geraldb@omwbe.wa.gov

For wait list, bank enrollment, and CD information:

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Office of the State Treasurer
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